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HOUSE BILL 212

**47TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2006**

INTRODUCED BY

John A. Heaton

AN ACT

CREATING A JOINT INTERIM LEGISLATIVE COMMITTEE TO OVERSEE STATE INVESTMENTS AND RETIREMENT SYSTEMS; MAKING AN APPROPRIATION; DECLARING AN EMERGENCY.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. STATE INVESTMENT AND RETIREMENT SYSTEMS OVERSIGHT COMMITTEE CREATED.--The "state investment and retirement systems oversight committee" is created as a joint interim legislative committee.

Section 2. MEMBERSHIP--APPOINTMENT--VACANCIES.--

A. The state investment and retirement systems oversight committee shall be composed of ten voting members and five nonvoting members.

B. Five members of the house of representatives shall be appointed as voting members of the committee by the

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1 speaker of the house of representatives, and five members of  
2 the senate shall be appointed as voting members of the  
3 committee by the committees' committee of the senate or, if the  
4 senate appointments are made in the interim, by the president  
5 pro tempore of the senate after consultation with and agreement  
6 of a majority of the members of the committees' committee.  
7 Members shall be appointed from each house so as to give the  
8 two major political parties in each house the same  
9 proportionate representation on the committee as prevails in  
10 each house. An appointed member may designate a legislator  
11 from the member's party to serve in the member's place at a  
12 committee meeting at which the member is going to be absent.  
13 The member shall select the designee from a list of four  
14 potential designees from each house, appointed in the same  
15 manner as the appointment of the members.

16 C. The five nonvoting members of the board shall  
17 be: the state investment officer or the officer's designee;  
18 the secretary of finance and administration or the secretary's  
19 designee; the state treasurer or the treasurer's designee; the  
20 investment director of the public employees retirement  
21 association or the director's designee; and the chief  
22 investment officer of the educational retirement board or the  
23 officer's designee.

24 D. Vacancies on the committee shall be filled by  
25 appointment in the same manner as the original appointments.

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1 The speaker of the house of representatives and the president  
2 pro tempore of the senate shall each designate one co-chair of  
3 the committee.

4 E. No action shall be taken by the committee if a  
5 majority of the total membership from either house on the  
6 committee rejects such action.

7 Section 3. POWERS AND DUTIES.--After its appointment, the  
8 state investment and retirement systems oversight committee  
9 shall hold one organizational meeting to develop a work plan  
10 and budget for the ensuing interim. The work plan and budget  
11 shall be submitted to the New Mexico legislative council for  
12 approval. Upon approval of the work plan and budget by the  
13 legislative council, the committee shall:

14 A. monitor and oversee the investment and financial  
15 management practices used by the state investment council, the  
16 state board of finance and the state treasurer with respect to  
17 all public funds, including the permanent funds, and the  
18 investment practices used by the public employees retirement  
19 association and the educational retirement board with respect  
20 to their retirement funds;

21 B. undertake a continuing analysis of the financial  
22 and actuarial status of the retirement systems, including the  
23 benefit structure, of the public employees retirement  
24 association and the educational retirement board;

25 C. develop recommendations as appropriate to

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1 improve state investment practices and to ensure the financial  
2 and actuarial soundness of the retirement funds;

3 D. make referrals of matters needing further  
4 attention to the appropriate public official, agency, oversight  
5 board or the attorney general for investigation, corrective  
6 action and penalties if warranted;

7 E. request that all proposed legislation affecting  
8 state investment practices, the permanent funds or the  
9 retirement funds be presented to the committee for review and  
10 analysis in the interim prior to the legislative session in  
11 which the legislation will be introduced; and

12 F. report to the legislature prior to the start of  
13 each regular legislative session any recommendations that the  
14 committee may have for legislative action.

15 Section 4. ASSISTANCE TO COMMITTEE.--The public employees  
16 retirement association, the educational retirement board, the  
17 state investment council, the department of finance and  
18 administration and the state treasurer shall assist the  
19 committee in the performance of its duties and shall make  
20 available records and information requested.

21 Section 5. STAFF.--The staff for the state investment and  
22 retirement systems oversight committee shall be provided by the  
23 legislative council service, but actuarial and other outside  
24 consultants are authorized as necessary to assist the committee  
25 in carrying out its duties.

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